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PRESS RELEASE
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Annual 2007 Results of F.G. EUROPE S.A. Group

- **Spectacular improvement of Group profitability.**
- **Major increase in the turnover of durable consumer goods.**
- **Dividend yield in excess of 10%**

Spectacular improvement is noted in the development of the Financial figures and profitability of the Group «F.G. EUROPE S.A.» for the year 2007, mainly affected by the improvement in the Financial figures of the parent company.

The continued in 2007 increase in sales of durable consumer goods (air conditioners – white appliances - consumer electronics), despite the marginal decrease in total mobile telephony cards sales, led to the achievement of exceptional for the Group results, having as a result the proposal to the General Assembly by the Board of Directors, scheduled for March 26, 2008, the distribution to the shareholders of dividend for the fiscal year 2007 of €0.22, increased by 450% against the 2006 dividend (€0.04)

More specifically at parent company level :

Sales amounted to € 153.71 mil. against € 154.94 mil., of the respective sales in 2006, noting marginal decrease by 0.79%.
Sales of durable consumer goods increased by 73.29% and reached € 119.01 mil. against € 68.68 mil. in 2006.
In particular:
Sales in the sector of air conditioners for 2007 increased by 87.85% amounting to € 97.87 mil. against € 52.10 mil. in 2006. Sales in the domestic market reached € 61.50 mil., posting an increase of 107.17% against 2006, strengthening significantly the already leading position of the Company in the market sector. An important increase by 62.90% was posted by the sector exports in 2007 that reached € 36.36 mil. against € 22.32 mil. in 2006 further establishing the Company's position in the Balkan and Italian market. Exports to the Balkans amounted to € 21.19 mil. compared to € 11.27 mil. in 2006, increase by 88.02%, while exports of air conditioners to Italy increase in 2007 compared to 2006 by 37.24% total amounting to € 15.16 mil.

Sales of ESKIMO and SHARP white electrical appliances increased in total by 12.22% amounting to € 11.73 mil. against € 10.45 mil. in 2006. more specifically, sales of ESKIMO products posted an increase of 7.46%, amounting for 2007 to € 6.66 mil. compared to € 6.19 mil. in 2006, while sales of SHARP white electrical appliances reached for 2007 € 5.08 mil. against € 4.26 mil. in 2006, increasing by 19.14%.

Sales of the SHARP Consumer Electronics, despite the continuously recorded shortage and insufficient coverage of the increasing demand for LCD TV sets, increased by 85.89% and amounted in 2007 to €8.93 mil. against € 4.80 mil. in 2006.

Significant decrease by 59.77% was noted in sales of mobile telephony cards, as a result of the policy followed by the Company, limited to € 34.70 mil. against € 86.27 mil in 2006.

The abovementioned increased figures led to a 355% increase in the Net Profit after taxes of the parent company, which amounted to € 14.55 mil. compared to € 3.20 mil. for the related period of 2006, resulting to earnings per share of € 0.28 compared to € 0.06 in 2006.

Consolidated Figures:

Total revenues of the Group in 2007 amounted to € 154.48 mil., compared to € 15574 mil. as of December 31st, 2006, posting a decrease of 0.81%.

Significantly increased by 97.59% are the Group's gross profits in 2007, reaching € 38.01 mil., compared to € 19.24 mil. for the relevant period of 2006. The almost doubled gross profits in 2007, despite the decrease of sales is due to the significant improvement of the gross profit margin in 2007 which amounted to 24.61% compared to 12.35% in 2006, as a result of the increase by 73.29% in the sales of long living consumer goods of the parent Company.

Earnings before taxes, depreciation and amortization (EBITDA), as a percentage of sales amounted in 2007 to 14.12% compared to 3.80% in 2006, posting an increase by € 15.88 mil. or 271.58%

The significant increase in the EBITDA margin is due to the decrease of total expenses by 20.34%. while gross profit margin almost doubled by 99.27%.

Administrative expenses amounted to € 18.37 mil in 2007 compared € 15.27 mil. in 2006, increased by € 3.11 mil. The absolute and relative increase of the total expenses for the fiscal year is significantly lower than the increase in the sales of durable consumer goods as well as the increase of the gross profit margin, a fact that substantially affected the significantly positive results of the Group and the parent company in 2007.

The net financial expenses of the Group increased by € 1.49 mil. and amounted to € 2.93 mil. compared to € 1.44 mil. in 2006. The increase in net financial expenses is due to the increase of the short term debt and the decreased contribution of the foreign exchange gains that decreased to € 2.20 mil in 2007 compared to € 2.87 mil. during the year 2006.

Group total liabilities noted an increase of 38.36% amounting in 2007 to € 101.36 mil., against € 73.26 mil. in 2006. The posted increase is attributed to the increase in short term bank debt mainly due to needs arising for funding the increasing sales of durable consumer goods and settlement of major part of long term liabilities of € 19.09 mil.
The Convertible Bond Loan issued by the Parent Company in 2004 expired on 3/8/2007 with payment to the beneficiaries that had not converted their bonds, of capital plus additional yield and interest of the total amount of € 11.74 mil.

Net Profit before tax increased by 339.52%, reaching in 2007 € 18.57 mil. compared to € 4.23 mil. in 2006, forming the Profit Before Tax / Sales ratio to 12.02% as opposed to 2.71% in 2006 respectively.
The increase in Net Profits occurred as a result of the increase in sales of durable consumer goods and the subsequent significant improvement of the Gross Profit Margin, as opposed to the relatively restrained increase of general expenses for the full year 2007.

The Group's Net Profits after tax and minority rights reached in 2007 € 13.23 mil. compared to € 2.75 mil. in 2006 up by 381.09%, despite the tax burden in the amount of € 0.56 mil. deriving from the tax audit of years 2003 until 2005.

The Group's Equity, significantly reinforced, amounted to € 43.82 mil. in 2007 compared to € 29.99 mil. in 2006, including Minority Rights, which, despite the incurred increase of total liabilities, improved the liabilities / equity ratio as of December 31st 2007 to 2.31 compared to 2.44 in 2006 respectively.

The Group's Management, taking also into consideration the results of the 1st two months of 2008, estimates that the Company in 2008 will achieve an even greater growth in sales of durable consumer goods, which is expected to have a positive impact on the results and profitability of the Group.

The need of consumers to air condition ever increasing domestic areas, the preference of well known branded new technology (INVERTER) products, the significant rise of oil prices, are all factors which create a steadily increasing demand in the air conditioning sector, a fact which is expected to raise Company sales in the domestic market in 2008 as well. An important boost in exports, beyond the planned expansion in the already existing markets (Balkans and Italy) is expected to derive from the Turkish market, where the Company initialized activity in the beginning of 2008. An increase is also expected in the sales of central and semi-central air conditioning, aside from the Greek market, in the markets of South-East Europe and Turkey, which seems to have an overall high demand.

In addition, an important increase is expected in the sales of SHARP LCD-TVs, provided that the problems of supply by SHARP, whose production is unable to cover the continuously increasing demand of LCD TVs, which is expected to peak the 1st semester of 2008 due to important athletic events (EURO 2008 and the Beijing Olympic Games).

The Annual Financial Statements of December 31, 2007 are accessible for the investment community on the Company's website http://www.fgeurope.gr under the section "Investors Relations".

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